



Health and Human Services Agency Office of HIPAA Implementation

POLICY MEMORANDUM

TO: Chief Deputy Directors
Department HIPAA Coordinators

FROM: CALIFORNIA OFFICE OF HIPAA IMPLEMENTATION (CalOHI)

Title: HIPAA Contract Procedures	Number: PM 2002-10 Revised
Subject: Process for Advertising and Awarding HIPAA Contracts	Issue Date: November 15, 2002 Replaces PM2002-10 issued October 18, 2002
Reference(s): Health & Safety Code Section 130306(a)(7) Department of General Services Management Memo 2-19 Revision 1 Department of General Services, HIPAA Users Guide	Expiration Date: Until Rescinded or Amended

PURPOSE

This revision was made to make PM2002-10 consistent with current DGS policies and to clarify requirements for preparing and posting a Statement of Work on the CalOHI website.

BACKGROUND

Health & Safety Code Section 130306 (a) (7) requires the California Office of HIPAA Implementation (CalOHI) to "review and approve contracts relating to HIPAA to which a state entity is a party prior to the contract's effective date".

The Department of General Services (DGS) has issued a user guide specifying the process departments must follow in soliciting and selecting a contractor. The HIPAA MSA user guide is located at: www.dgs.ca.gov (select Master Agreements, then select Non-IT Master Agreements and look for Health Insurance Portability and Accountability Act and select GO).

OVERVIEW

In conjunction with DGS and the Department of Finance (DOF), CalOHI will be approving the contracts and the selection process that State Departments use to secure vendors for HIPAA implementation activities. CalOHI's role in the process is to oversee and approve the procedures Departments use in selecting contractors. CalOHI is responsible for ensuring that the process Departments use to contract for services needed to comply with HIPAA is open, fair, and cost effective. Departments will be required to comply with this Policy Memorandum in order to obtain CalOHI's approval for all HIPAA contracts. In addition to this policy memorandum, Departments must comply with the HIPAA MSA User Guide and Department of General Services Management Memo 2-19 Revision 1 issued October 7, 2002.

Also attached is a step-by step procedural guide for Departments.

POLICY

I. STATEMENT OF WORK

- Departments must provide CalOHI with a list of all planned HIPAA contracts for fiscal year 2002/03 by October 31, 2002. CalOHI will post this list for all vendors on the website: www.ohi.ca.gov, which will allow vendors to review prospective, contract services. Departments may update the list as needed.
- Departments are required to submit an electronic copy of each statement of work (SOW) to CalOHI for review and approval. Electronic copies should be e-mailed to their Department Liaison at ohicomments@ohi.ca.gov. Department's documents should include the name, phone number, and e-mail address of a contact person who can answer questions from vendors.
 - ✓ The SOW should include the term of the contract, the specific tasks to be performed and a designated contact person.
 - ✓ CalOHI will review and approve or provide comments on the SOW.
 - ✓ Upon approval CalOHI will post the SOW on its website www.ohi.ca.gov until the designated final filing date. The filing period specified in the SOW will generally be a minimum of 10 working days. This period may be extended by the Department. The Department may wish to extend the date to post responses to questions from vendors, make substantive changes to the SOW, or for any reason consistent with ensuring a fair and open contract process.

The SOW should instruct vendors to send an electronic copy of their proposal (in response to the SOW) directly to the designated Department contact person. The SOW should further instruct the vendors to send an electronic copy to: ohicomments@ohi.ca.gov

II. SELECTION AND SCREENING PROCEDURES

- Departments will be responsible for the receipt of proposals, their internal selection process, and ensuring an open and competitive evaluation.
- Departments must include selection procedures in their SOW. The Department must also document the selection criteria and process used for awarding each HIPAA contract. This information should be retained for a minimum of three years and made available for audits.
- When final selection has been completed, Departments should send CalOHI the following items:
 1. The criteria used for awarding the contract;
 2. Evaluations of the vendors in the final pool;
 3. A short statement justifying the selection.

III. PROCEDURES FOR APPROVAL AND POSTING OF FINAL AWARDS

- Upon CalOHI review and approval, CalOHI will complete the HIPAA Contract Approval and Transmittal form and forward it to DGS and a copy to the Department for processing.
- CalOHI will post all HIPAA contract awards on the CalOHI website.

CONTACT:

If you have any questions, please contact your assigned department liaison.

Original signed by Burt R. Cohen

BURT R. COHEN
Acting Director
California Office of HIPAA Implementation

Attachments: Department Procedures for Selecting HIPAA Contractors
CalOHI Contract Matrix Form

cc: HIPAA Steering Committee Members
Steve Kessler, Department of Finance
Peter Harbage, Health and Human Services Agency
Diana LaBonte, Department of General Services

DEPARTMENT PROCEDURES FOR SELECTING HIPAA CONTRACTORS

This attachment summarizes the procedures that a Department must follow to ensure compliance to CalOHI Policy Memorandum (PM) 2002-10¹. CalOHI will not approve any HIPAA contract utilizing either the HIPAA Masters Services Agreement (MSA) MSA 01-MA06 or the California Multiple Award Schedule (CMAS) unless Departments comply with CalOHI PM 2002-10.

Department Responsibilities:

1. Complete the **Contract Matrix Form** and send to CalOHI a list of all planned HIPAA contracts for the fiscal year by October 31, 2002. Departments can update the original list on an as needed basis.
2. CalOHI will post the SOW until the final filing date for the receipt of proposals is reached. If the Department wants to change the final filing date, the Department should send CalOHI written instructions specifying the revised final filing date. Final filing dates must be changed when the SOW is revised.
3. Specify a contact person that can answer written questions from vendors. It is highly recommended that written responses be prepared for all written questions submitted during the posting period. Department can develop written Questions and Answers and send them to CalOHI for posting. At the Department's request, CalOHI will post these questions and answers to each SOW.
4. Develop written selection procedures for the submitted proposals. The procedures can be either a one or two-step process depending on the number of proposals received. A two-step process can include the use of screening criteria to reduce the number of proposals to a "best qualified" pool. The number of vendors in the final pool must be consistent with the number of vendors required for consideration by DGS HIPAA MSA orders for SA selections and Management Memo 02-19 Revision 1.
5. Make a final selection, and send CalOHI the name of the selected vendor, the selection criteria used, the name of the other vendors in the final pool, the scores or other evaluations for those in the final pool and a short justification of the selection.
6. Document the selection and retain all documentation for a minimum of three years.

¹ CalOHI may modify these procedures on a case-by-case basis in the event of an unforeseen emergency.

CalOHI CONTRACT MATRIX FORM
DEPARTMENT OF _____
FOR FISCAL YEAR 2002-03

Please estimate the number and type of HIPAA contracts that the Department expects to issue during the fiscal year, and enter that number into the appropriate box. Contracts covering multiple categories should be listed once under the primary category. If you have any questions regarding this form or policy 2002-10, please contact your CalOHI Department liaison. When completed, e-mail the Contract Matrix Form by October 31, 2002 to: ohicomments@ohi.ca.gov

NUMBER OF EXPECTED CONTRACTS FOR FY 2002-03

	PROJECT MANAGEMENT/OVERSIGHT ACTIVITIES	PRIVACY AND SECURITY	IT SYSTEMS	BUSINESS ANALYSIS	MISCELLANEOUS
2nd Quarter					
3rd Quarter					
4th quarter					

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October 15, 2002